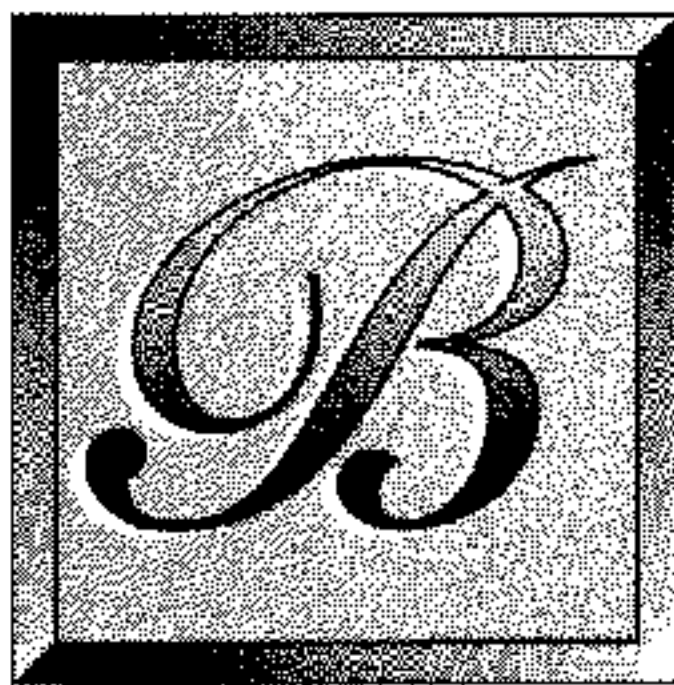


**BEAUREGARD COMMUNITY ACTION
ASSOCIATION, INC.
DeRidder, Louisiana**

**Financial Statements
September 30, 2002**

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Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

INDEPENDENT AUDITORS' REPORT

Board of Directors
Beauregard Community Action Association, Inc.
DeRidder, Louisiana

We have audited the component unit financial statements of Beauregard Community Action Association, Inc., as of and for the period ended September 30, 2002, as listed on the table of contents. These component unit financial statements are the responsibility of Beauregard Community Action Association, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards of the United States of America, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. Separate reports have been issued, and included in these reports, regarding our testing of compliance with laws and regulations and internal controls, as required by generally accepted government auditing standards.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of Beauregard Community Action Association, Inc. at September 30, 2002, and the results of its operations and changes in fund balances for the period then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The supplemental information listed as "Supplementary Reports and Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the component unit financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Broussard & Company

Lake Charles, Louisiana
March 12, 2003
/dk

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COMPONENT UNIT FINANCIAL STATEMENTS

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Combined Balance Sheet - All Fund Types and Account Groups
September 30, 2002

	<u>Governmental</u>	<u>Fund Type</u>	<u>Account Group</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>
ASSETS				
Cash	\$ 18,521	\$ 54,863	\$ -	\$ 73,384
Accounts receivable	1,559	37,900	-	39,459
Due from other funds	-	14,750	-	14,750
Furniture, fixtures and leasehold improvements	-	-	58,872	58,872
Total Assets	<u>\$ 20,080</u>	<u>\$ 107,513</u>	<u>\$ 58,872</u>	<u>\$ 186,465</u>
LIABILITIES				
Accounts payable	\$ 6,591	\$ 46,200	\$ -	\$ 52,791
Bank overdraft	-	21,682	-	21,682
Due to other funds	14,750	-	-	14,750
Total Liabilities	<u>21,341</u>	<u>67,882</u>	<u>-</u>	<u>89,223</u>
FUND BALANCES				
Unreserved	(1,261)	39,631	-	38,370
Investment in fixed assets	-	-	58,872	58,872
Total Fund Balances	<u>(1,261)</u>	<u>39,631</u>	<u>58,872</u>	<u>97,242</u>
Total Liabilities and Fund Balances	<u>\$ 20,080</u>	<u>\$ 107,513</u>	<u>\$ 58,872</u>	<u>\$ 186,465</u>

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Statement of Revenue, Expenditures, and Changes
in Fund Balances - Governmental Fund Types
For The Year Ended September 30, 2001

	General Fund	Special Revenue	Total (Memorandum Only)
REVENUES			
State and federal grants	\$ -	\$ 450,121	\$ 450,121
In-kind contributions	-	484	484
Other	1,020	20,559	21,579
	<hr/>	<hr/>	<hr/>
Total Revenues	1,020	471,164	472,184
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Salaries	-	166,687	166,687
Fringe benefits	3,931	20,347	24,278
Travel	-	2,824	2,824
Program services	-	258,585	258,585
In-kind expenditures	-	484	484
	<hr/>	<hr/>	<hr/>
Total Expenditures	3,931	448,927	452,858
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	(2,911)	22,237	19,326
FUND BALANCES - Beginning	1,650	28,850	30,500
Prior period adjustment - correction of error	-	(11,456)	(11,456)
	<hr/>	<hr/>	<hr/>
FUND BALANCES - Beginning, as restated	1,650	17,394	19,044
	<hr/>	<hr/>	<hr/>
FUND BALANCES - Ending	<u>\$ (1,261)</u>	<u>\$ 39,631</u>	<u>\$ 38,370</u>

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements
September 30, 2002

Note 1 - Summary of Significant Accounting Policies

The Beauregard Community Action Association, Inc. was incorporated under the laws of the State of Louisiana on September 16, 1965. The Association is exempt from Federal income tax as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code. The laws of the State of Louisiana exempt the Association from Louisiana taxation.

The financial statements of the Beauregard Community Action Association, Inc. have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization that is fiscally dependent on the primary government should be included in its reporting entity.

Based on the following application of criteria, there are no potential component units which should be included in the Association's financial statements. The Association is a component unit of the Beauregard Parish Police Jury based on a review of various entities performed by the Louisiana Legislative Auditor's Office. It is the opinion of that office that community action agencies are non-profit corporations established to perform a public purpose which the parish police jury is statutorily authorized to perform. The police jury appoints one-third of the members of the governing board of the community action agencies (which is not considered a voting majority). However, because the nature and significance of the relationship between the community action agencies and the police jury are such that exclusion from the financial reporting of the police jury would render the financial statements incomplete or misleading. This report includes all funds which are controlled by the Beauregard Community Action Association, Inc., Board of Directors.

Fund Accounting

The accounts of the Beauregard Community Action Association, Inc. are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements (Continued)
September 30, 2002

Note 1 - Summary of Significant Accounting Policies (Continued):

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fixed Assets

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. No depreciation has been provided for any general fixed assets and presentation of this account information is not intended to purport them as available resources for present or future Association operations.

Funding Policies

The Association receives their monies through basically three methods of funding. Most of the funds are obtained through grants. Under this method, funds are received on a monthly allocation of the total budget in advance of the actual expenditure. The Association also receives funds as a reimbursement of actual expenditures. The other method by which the Association receives funding is through private and in-kind contributions.

Basis of Accounting

All funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Compensated Absences

Vested or accumulated vacation leave that is not expected to be liquidated with expendable available financial resources is reported in the general long-term debt account group. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Association should be accrued as the employees earn the benefit. Due to the fact that payment of these compensated absences (vacation only) is contingent on the funding level of the existing grantors, we have not accrued a liability. Sick leave payments are also not accrued since the Association does not pay any accrued sick leave amounts at separation.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements (Continued)
September 30, 2002

Note 1 - Summary of Significant Accounting Policies (Continued):

Employees accrue vacation leave based on years of service. At September 30, 2002, accrued vacation leave was approximately \$4,300 based on the current pay levels and maximum carryover amounts. This amount is not reflected in the financial statements based on the above criteria.

Short-Term Interfund Receivables/Payables

During the course of operations, transactions occur between the general fund and other funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Total Columns on Combined Statements

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Deposits with Financial Institutions

The Association's bank balances of deposits with financial institutions at September 30, 2002 were fully insured by the Federal Deposit Insurance Corporation.

Note 2 - Changes in General Fixed Assets

A summary of the changes in general fixed assets follows:

	Balance September 30, 2001	Additions	Deletions	Balance September 30, 2002
Furniture, fixtures, transportation, and computer equipment	\$ 58,872	\$	\$	\$ 58,872

Note 3 - Income Tax Status

The Association, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Note 4 - Board Members

During the period covered by our audit, there were no payments made to or on behalf of board members.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements (Continued)
September 30, 2002

Note 5 - Claims and Contingencies

The Association receives revenues from various Federal and State grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and the Association.

Note 6 - Operating Leases

The Association leases office equipment on a month to month lease of \$395 per month. Additionally, the Association leases its facility from the Beauregard Parish Police Jury for \$100 per month. The lease term is renewed annually. The Association also leased a van for \$713 a month for 24 months, ending November 2001. The Resource Center has a two year lease of \$600 per month. Operating lease payments for the year totaled \$6,089 for the equipment and vehicles and \$8,400 for the facilities.

Note 7 - Economic Dependency

The Association receives the majority of its revenue from funds provided through grants. The grant amounts are appropriated each year by the Federal and State governments. The significant budget cuts are made at the Federal and/or State level, the amount of funds the association receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Association will receive in the next fiscal year.

Note 8 - Other Required Disclosures

Interfund Assets/Liabilities - The following funds had short-term loan transactions at September 30, 2002:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ -	\$ 14,750
Special Revenue Funds:		
CHDO	<u>14,750</u>	<u>-</u>
	<u>\$ 14,750</u>	<u>\$ 14,750</u>

Note 9 - Prior Period Adjustment

An adjustment was made to correct the recording of a receivable in the amount of \$11,456. The effect of the adjustment reduced fund balance by \$11,456 in the Energy Assistance Program.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements (Continued)
September 30, 2002

Note 10 - Fund Balance Deficits

Fund balance deficits existed in the Teen Pregnancy Prevention Program \$3,838; Medicaid Program \$3,484; CHDO \$5,737; TANF \$295; General Fund \$1,261. The deficits are expected to be liquidated through subsequent receipts of revenues and reduced expenditures.

SUPPLEMENTARY REPORTS AND SCHEDULES

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Schedule of Federal Financial Assistance
September 30, 2002

<u>Federal Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Number or Pass- Through Grantor</u>	<u>Federal Revenue</u>	<u>Federal Disbursements / Expenditures</u>
Departments of Health & Human Services:				
Low Income Home Energy Assistance	93.568	CMS 565765	\$125,431	\$123,327
Community Services Block Grant	93.569	2000N0005	116,300	95,127
Community Based Family and Resource Support Grants	93.556	CFMS575864	124,029	105,540
Teen Pregnancy Prevention Program		CFMS565948	43,770	44,342
TANF Energy Assistance Program	93.558	-	18,621	18,916
Federal Emergency Management Agency:				
Emergency Food & Shelter National Board Program	83.523	18-3584-00	<u>18,848</u>	<u>14,396</u>
Total			<u>\$446,999</u>	<u>\$401,648</u>

Notes to Schedule of Expenditures of Federal Awards

*Note A - **Basis of Presentation***

The accompanying schedule of expenditures of federal awards includes the federal grand activity of Beauregard Community Action Association, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Special Revenue Funds
September 30, 2002

General Fund

The General Fund is the general operating fund of the Association. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the funding source (federal, state, or local) from which they are derived.

Special Revenue Funds

CSBG Fund - The CSBG Fund accounts for funds granted by the United States Department of Health and Human Services under the Community Services Block Grant Program.

Family and Youth Services - Accounts for funds granted by the Office of Community Services.

Energy Assistance Program Fund - The Energy Assistance Program Fund accounts for funds donated to local utility companies by the public to provide to low income families.

Commodity Distribution Fund - The Commodity Fund accounts for commodity distributions granted by the United States Department of Agriculture under the Food Distribution Program.

Teen Pregnancy Prevention Program – Funds are used to assist with teen pregnancy prevention activities for at –risk youth in Beauregard Parish.

Medicaid Program - Beauregard Community Action Association is an enrollment center with staff trained to complete applications. Persons wishing to apply must be interviewed and provide required documentation of living and financial status. This program is a cost reimbursement program through the Department of Health and Hospitals.

Emergency Food and Shelter Fund - The Emergency Food and Shelter Fund accounts for funds granted by the Emergency Food and Shelter National Board Program.

LIHEAP Fund - The LIHEAP Fund accounts for funds granted by the United States Department of Health and Human Services under the Low Income Home Energy Assistance Block Grant Program.

Community Housing Development Organization (CHDO) - This fund is financed by the U.S. Department of Housing and Urban Development through the Louisiana Housing Finance Agency acting on behalf of the State of Louisiana. The Agency is responsible for identifying potential sites for the project, ranking the sites by specified criteria, selecting the optimal sites and then providing additional technical assistance and site control loan as needed.

Resource Center – The scope of this program is to provide a continuum of services to families that may be in danger of disruption and displacement of the children in the family from their biological roots. The program is funded through the office of Community Services.

TANF - To provide time-limited assistance to needy families with children.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Combining Balance Sheet - Special Revenue Funds
September 30, 2002

	<u>CSBG</u>	<u>Family and Youth Services</u>	<u>Energy Assistance Program</u>	<u>Commodity Distribution</u>
ASSETS				
Cash	\$ 24,924	\$ 267	\$ 2,407	\$ -
Grants receivable	969	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 25,893</u>	<u>\$ 267</u>	<u>\$ 2,407</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 3,250	\$ -	\$ -	\$ -
Bank overdraft	-	-	-	432
Due to other funds	-	-	-	-
Total Liabilities	<u>\$ 3,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 432</u>
FUND BALANCES (DEFICIT)	<u>\$ 22,643</u>	<u>\$ 267</u>	<u>\$ 2,407</u>	<u>\$ (432)</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 25,893</u>	<u>\$ 267</u>	<u>\$ 2,407</u>	<u>\$ -</u>

See accompanying notes to financial statements.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Combining Balance Sheet - Special Revenue Funds
September 30, 2002

	Teen Pregnancy Prevention Program	Medicaid Program	Emergency Food and Shelter	LIHEAP
ASSETS				
Cash	\$ -	\$ -	\$ 5,890	\$ 1,485
Grants receivable	7,457	874	-	11,210
Due from other funds	-	-	-	-
Total Assets	\$ 7,457	\$ 874	\$ 5,890	\$ 12,695
LIABILITIES				
Accounts payable	\$ 897	\$ -	\$ 28	\$ 9,833
Bank overdraft	10,398	4,358	-	-
Due to other funds	-	-	-	-
Total Liabilities	\$ 11,295	\$ 4,358	\$ 28	\$ 9,833
FUND BALANCES (DEFICIT)	\$ (3,838)	\$ (3,484)	\$ 5,862	\$ 2,862
Total Liabilities and Fund Balances (Deficit)	\$ 7,457	\$ 874	\$ 5,890	\$ 12,695

See accompanying notes to financial statements.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Combining Balance Sheet - Special Revenue Funds
September 30, 2002

	<u>CHDO</u>	<u>Resource Center</u>	<u>TANF</u>	<u>Total</u>
ASSETS				
Cash	\$ -	\$ 19,618	\$ 272	\$ 54,863
Grants receivable	-	17,390	-	37,900
Due from other funds	14,750	-	-	14,750
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 14,750</u>	<u>\$ 37,008</u>	<u>\$ 272</u>	<u>\$ 107,513</u>
 LIABILITIES				
Accounts payable	\$ 13,993	\$ 17,632	\$ 567	\$ 46,200
Bank overdraft	6,494	-	-	21,682
Due to other funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 20,487</u>	<u>\$ 17,632</u>	<u>\$ 567</u>	<u>\$ 67,882</u>
 FUND BALANCES (DEFICIT)	<u>\$ (5,737)</u>	<u>\$ 19,376</u>	<u>\$ (295)</u>	<u>\$ 39,631</u>
 Total Liabilities and Fund Balances (Deficit)	<u>\$ 14,750</u>	<u>\$ 37,008</u>	<u>\$ 272</u>	<u>\$ 107,513</u>

See accompanying notes to financial statements.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.

DeRidder, Louisiana

**Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Special Revenue Funds
For The Year Ended September 30, 2002**

	CSBG	Family and Youth Services	Energy Assistance Program	Commodity Distribution
REVENUES				
State and federal grants	\$ 116,300	\$ -	\$ -	\$ -
In-kind contributions	-	-	-	484
Other	-	-	684	-
Total Revenues	116,300	-	684	484
EXPENDITURES				
Salaries	64,073	-	-	-
Fringe benefits	6,800	-	-	-
Travel	606	-	-	-
Program services	23,648	-	605	-
In-kind expenditures	-	-	-	484
Total Expenditures	95,127	-	605	484
Excess (deficiency) of revenues over expenditures	21,173	-	79	-
FUND BALANCES - Beginning	1,470	267	13,784	(432)
Prior period adjustment - correction of error	-	-	(11,456)	-
FUND BALANCES - Beginning, as restated	1,470	267	2,328	(432)
FUND BALANCES - Ending	\$ 22,643	\$ 267	\$ 2,407	\$ (432)

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.

DeRidder, Louisiana

**Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Special Revenue Funds
For The Year Ended September 30, 2002**

	Teen Pregnancy Prevention Program	Medicaid Program	Emergency Food and Shelter	LIHEAP
REVENUES				
State and federal grants	\$ 43,770	\$ 3,122	\$ 18,848	\$ 125,431
In-kind contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	43,770	3,122	18,848	125,431
EXPENDITURES				
Salaries	28,882	2,601	-	6,424
Fringe benefits	2,579	360	-	649
Travel	1,479	-	-	-
Program services	11,402	3,069	14,396	116,254
In-kind expenditures	-	-	-	-
Total Expenditures	44,342	6,030	14,396	123,327
Excess (deficiency) of revenues over expenditures	(572)	(2,908)	4,452	2,104
FUND BALANCES - Beginning	(3,266)	(576)	1,410	758
Prior period adjustment - correction of error	-	-	-	-
FUND BALANCES - Beginning, as restated	(3,266)	(576)	1,410	758
FUND BALANCES - Ending	<u>\$ (3,838)</u>	<u>\$ (3,484)</u>	<u>\$ 5,862</u>	<u>\$ 2,862</u>

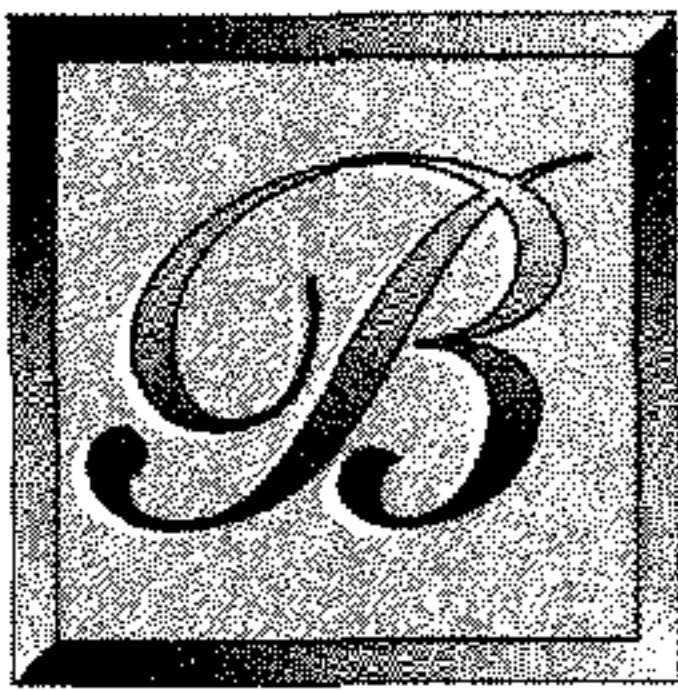
BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.

DeRidder, Louisiana

**Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Special Revenue Funds
For The Year Ended September 30, 2002**

	CHDO	Resource Center	TANF	Total
REVENUES				
State and federal grants	\$ -	\$ 124,029	\$ 18,621	\$ 450,121
In-kind contributions	-	-	-	484
Other	19,875	-	-	20,559
Total Revenues	19,875	124,029	18,621	471,164
EXPENDITURES				
Salaries	12,112	48,205	4,390	166,687
Fringe benefits	3,775	5,787	397	20,347
Travel	587	152	-	2,824
Program services	24,686	50,396	14,129	258,585
In-kind expenditures	-	-	-	484
Total Expenditures	41,160	104,540	18,916	448,927
Excess (deficiency) of revenues over expenditures	(21,285)	19,489	(295)	22,237
FUND BALANCES - Beginning	15,548	(113)	-	28,850
Prior period adjustment - correction of error	-	-	-	(11,456)
FUND BALANCES - Beginning, as restated	15,548	(113)	-	17,394
FUND BALANCES - Ending	\$ (5,737)	\$ 19,376	\$ (295)	\$ 39,631

See accompanying notes to financial statements.



Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Beauregard Community Action Association, Inc.
DeRidder, Louisiana

We have audited the component unit financial statements of Beauregard Community Action Association, Inc. as of and for the period ended September 30, 2002, and have issued our report thereon dated March 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Beauregard Community Action Association, Inc.'s component unit statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Beauregard Community Action Association, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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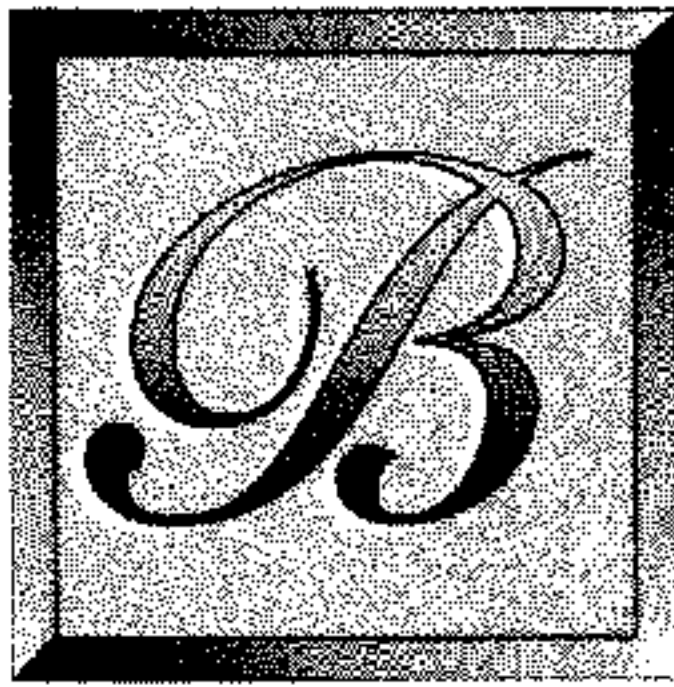
SULPHUR OFFICE
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Board of Directors
Beauregard Community Action Association, Inc.

This report is intended solely for the information and use of management, others within the organization, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bronson & Company

Lake Charles, Louisiana
March 12, 2003
/dk



Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Beauregard Community Action Association, Inc.
DeRidder, Louisiana

Compliance

We have audited the compliance of Beauregard Community Action Association, Inc., with the types of compliance requirements described in the *U. S. Office of Management and Budgets (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2002. Beauregard Community Action Association, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Beauregard Community Action Association, Inc.'s management. Our responsibility is to express an opinion on Beauregard Community Action Association, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Beauregard Community Action Association, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis of our opinion. Our audit does not provide a legal determination on Beauregard Community Action Association, Inc.'s compliance with those requirements.

In our opinion, , Beauregard Community Action Association, Inc., complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the period ended September 30, 2002.

Board of Directors
Beauregard Community Action Association, Inc.

Internal Control Over Compliance

The management of Beauregard Community Action Association, Inc., is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Beauregard Community Action Association, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Broussard & Company

Lake Charles, Louisiana
March 12, 2003
/dk

FINDINGS AND QUESTIONED COSTS

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Findings and Questioned Costs
September 30, 2002

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the component unit financial statements of Beauregard Community Action Association, Inc.
2. Reportable conditions in internal control – Refer to B.1.
3. No instances of noncompliance material to the financial statements of Beauregard Community Action Association, Inc. were disclosed during the audit.
4. Reportable conditions applicable to each major program – Refer to B.1.
5. The auditor's report on compliance for the major federal award programs for Beauregard Community Action Association, Inc. expresses an unqualified opinion.
6. The audit disclosed one finding relative to the major federal awards program. (see B. 2.)
7. The programs tested as major programs are included in the Schedule of Expenditures of Federal Awards.
8. The dollar threshold for Type A programs was \$300,000.
9. The auditee did not qualify as a low risk auditee.

B. GAGAS FINDINGS

1. None.

PRIOR YEAR FINDINGS September 30, 2001

Finding 01-1 Late filing of audit report and data collection form.

Corrective action: reports and forms have been timely filed.